

TURNOVER INTENTIONS OF INDIAN IT EMPLOYEES – AN EVALUATION OF PERSONAL FACTORS

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ABSTRACT

Employees' turnover in Indian Information Technology Industry is threatening the talent acquisition and retention and posing challenge to the industry. Liberalization and globalization improved opportunities for the talented educated youth and are uncompromised in the job. Mobility factor has been weakened among the educated youth and ready to work anywhere in the world. All these factors are contributing for higher turnover especially in the IT sector. Many of the researchers' undertaken studies on employee turnover gave alarming signals to the human resources experts and suggested measures to arrest turnover. But still turnover levels have not reached the comfortable levels due to various reasons may be which are beyond the control of human resource experts. The study proposes to understand the relationship of personal factors and employee turnover intentions. The relationship of Age, gender, marital status, job satisfaction, Organization commitment and work life balance of the employees with employee turnover is assessed and made an attempt to add value addition to the body of knowledge.

KEYWORDS: Talent Acquisition, Turnover, Job Satisfaction, Organizational Commitment, Work Life Balance

INTRODUCTION

Indian Information Technology industry is thriving to merge people and process in an efficient manner by hiring competitive skilled talent. IT sector in India is focusing on human capital investment and develop sophisticated human supply chain to enhance financial out comes. The shortage of talent and shifting demographics of talent had made IT companies handicapped in development of retention models. Vast opportunities for the talent forced the companies to adhere for employee poaching and intensified the problems of turnover for the IT organizations. According to Mckinsey & Co only 25% of technical graduates are having employable skills and are competent to work with Indian IT industry. Managing higher turnover rates is becoming a big challenge for the companies. Many studies were undertaken by the researchers to examine the turnover intentions of employees in different sectors and made suggestions for turnover reduction. Even then the turnover rates of IT companies have not reached the comfortable levels. Higher turnover reflects in the form of higher recruitment and selection costs, induction cost, training and development cost, slower productivity of new hires etc.,. If the turnover is left unattended it leads to serious problem for the growth of company as well as for survival. Under these circumstances there is need for assessment of turnover problem in different dimensions.

Mobility is one important factor influencing the employee turnover. Increase in the communication technologies made employees more mobile and search for better opportunities. To some extent demographic constraints may impact the mobility of the employee and turnover. Organizations to make the people stay should create an environment that promote job satisfaction, enhances organizational commitment and develops work life balance.

Job satisfaction development among the employees creates a sense of acceptance of the organization and develops empathy towards organizations. Job satisfaction can never be absolute and is always relative. Job satisfaction among the employees may increase or decrease due to changes that occur in the working environment, role definition, compensation,

career development opportunities etc., Job satisfaction influences the employee emotions and make his to stay with the organization or leave the organization.

Organizational commitment of the employees is built on social exchange theory and leads to development of employee and employer relationship. Organizational commitment creates a psychological attachment to the organization and binds the employee to stay with the organization. Work life balance is an important attribute that reduce role conflicting behavior which an employee seeks from the organization and keep interest to stay with such organizations. Job description, work schedules, work load and working hours are to be designed appropriately to enable employees find time to spend with family, meet social obligations and religious commitments.

REVIEW OF LITERATURE

Porter & Steers (1973) stated that age turnover relationship is based on a number of influences. Entry level opportunities and lesser responsibilities make mobility easier for younger employees. Muchinsky & Tuttle (1979) reported a consistent negative relation between age and turnover stating that probability of leaving is higher in younger employees. Lornu and Grissmer (1993) expressed that life cycle factors such as changes in family status may influence the decision to stay or leave the job in the organization. Huang, I.-C., Lin, H.-C., & Chuang, C.-H (2006) explained that employee's status, gender and marital status have considerable impact on employee turnover.

Mobley et al (1979) indicated that overall job satisfaction is negatively linked to turnover but explains little about turnover. Lum et al (1998) expressed that many studies have reported a significant association between organizational commitment and turnover intentions. Griffeth et al's (2000) analysis showed that organizational commitment was a better predictor of turnover than overall job satisfaction and found that overall job satisfaction modestly predict turnover. Griffeth, Hom, & Gaertner, (2000) despite the vast literature on employee turnover, which is aimed at identifying factors that cause employees to quit, much less is known about the factors that compel employees to stay. Boxall et al (2003) expressed "that effect of job satisfaction on turnover is less than that of organizational commitment and is widely accepted".

Appelbaum, S. H., Carriere, D., Chaker, M. A., Benmoussa, K., Elghawanmeh, B., & Shash, S (2009) demonstrated that employee's turnover rate affected by organizational commitment and Organizational commitment can be enhanced through effective management and communication while the association of turnover rate and job satisfaction was not supported.

METHODOLOGY OF THE STUDY

The study is conducted with the purpose of measuring the relevance of personal factors such as age, gender, marital status, job satisfaction, organizational commitment and work life balance in influencing the turnover intention of employees working with software companies. The present research is carried out to obtain the relevant answers to the following research questions.

- To what extent personal factors age, gender, marital status, job satisfaction, organizational commitment and work life balance together influences the turnover intention?
- What is the strength of causation of these personal factors on turnover intention?
- Is there any significant difference in turnover intentions of male and female?
- Is there any significant difference in turnover intentions of single and married?

The research is carried out by mailing a structured questionnaire to selected employees of the software companies working across South India. The researcher has mailed questionnaire to 1500 employees through generation of referral sources. But finally only 550 filled in questionnaires were able to obtain and 520 were valid for analysis. The data obtained is coded, tabulated and analyzed using SPSS 16.0. The data was analyzed to determine the reliability coefficient using Cronbach's alpha and is found 0.764 which is valid for further analysis.

PRESENTATION OF FINDINGS

The data obtained on different variables is normally distributed as skewness for all the variables is between +1 and -1. Respondent profile comprises of 24.8% in the age group of 21-25, 42.7% 26-30 years, 25.6% 31-35, 6.7% 36-40 and 0.2% 41-45 years. 68.8% among the respondents are male and 31.2% are female. Married respondents are 51.9% and single are 48.1%. Turnover intention of employees is determined by considering various variables that include lack of recognition, mismatch between job and person, limited career development, poor management practices, untrustworthy leadership, dysfunctional work culture, stress at work place, insufficient rewards, unfair compensation, poor interpersonal relationships, high job demands, lack of training and development, lack of social support and unfair compensation.

Job satisfaction of the employees is evaluated based on the variables company fair administrative policies, quality supervision, job importance, job security, fun loving nature of job, reward system, job fascination, opportunity for multi skill development, interesting nature of job, job creates sense of achievement feeling, attractive benefits, job recognition and good compensation. Organizational commitment is determined based on assessment of number of variables that include effort towards organizational development, loyalty towards organization, greater care towards organization growth, feel proud to work with organization, feeling of working with best organization, emotional feelings of employee with organization, feeling of guilty in leaving organization, sense of belongingness, happiness of spending rest of career with the organization and decision to continue with organization. Work life balance of the employees is measured through the variables missing family, too much work, tight work schedules, flexible working times and job sharing.

Combined Influence of Personal Factors on Turnover Intention

Regression analysis is applied to determine the magnitude of influence of personal factors on turnover intentions of employees. The selected factors for the study age, gender, marital status, job satisfaction, organizational commitment and work life balance contribute for the turnover intention to the extent of 15.1%, This is statistically significant with $R^2 = .151$ and $P < 0.05$. The above factors are important in influencing turnover intention. The model summary of regression analysis and Analysis of variance are shown in Table 1 & 2.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.389 ^a	.151	.141	.46510	.151	15.247	6	513	.000

Table 2: ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	19.789	6	3.298	15.247	.000 ^a
1 Residual	110.970	513	.216		
Total	130.759	519			

a. Predictors: (Constant), age, OC, Gender, marital, JS, WLB

b. Dependent Variable: TI

Strength of Causation Factors of Turnover

All the personal factors selected are considered to measure the strength of causation of turnover in the organization using t-test. Among the six factors which together responsible for turnover intention only two factors job satisfaction and organizational commitment make employees leave the organization. Organizational commitment is the greatest factor that contribute the turnover intention with Beta of .260 and Job satisfaction with Beta of .222. The remaining four variables are insignificant and may not substantially influence turnover intentions among employees. Organizational commitment contributes more for turnover rather than job satisfaction. Organizational commitment is confirmed to be the best predictor of turnover as stated by many of the research reviews. T-Test coefficients for different causation factors is presented in Table 3

Table 3: T- Test Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1(Constant)	2.587	.188		13.741	.000
Gender	-.031	.046	-.028	-.667	.505
marital	-.062	.047	-.062	-1.339	.181
JS	.189	.042	.222	4.523	.000
OC	.255	.053	.260	4.818	.000
WLB	-.078	.043	-.090	-1.802	.072
age	.021	.027	.037	.785	.433

a. Dependent Variable: RTI

Differences in Turnover Intentions of Single and Married

The study verified the differences in turnover intentions among single and married employees. The mean and standard deviations of turnover intentions of male and female are presented in Table 4. The t-test analysis is shown in Table 5 and found that there are no significant differences between single and married ($t = 1.40$ and $P > .05$) Both single and married have same level of intention to stay or leave the organization

Table 4: Group Statistics of Marital Status

Marital		N	Mean	Std. Deviation	Std. Error Mean
RTI	Single	250	3.8318	.49766	.03147
	Married	270	3.7701	.50498	.03073

Table 5: Marital Status Influence on Turnover Intention-Independent Samples Test

	Levene's Test for Equality of Variances		T-Test for Equality of Means		
	F	Sig.	t	df	Sig. (2-tailed)
RTI Equal variances assumed	.008	.931	1.400	518	.162
Equal variances not assumed			1.401	515.983	.162

Differences in Turnover Intentions of Male and Female

The study assessed whether there are any differences in turnover intentions of male and female. The mean and standard deviations of turnover intentions of male and female are shown in Table 6. The t-test analysis is shown in Table 7 and found that there are no significant differences between male and female ($t = 1.369$ and $P > .05$). Both male and female

have same level of intention to stay or leave the organization

Table 6: Group Statistics for Gender

	Gender	N	Mean	Std. Deviation	Std. Error Mean
RTI	male	358	3.8200	.47729	.02523
	female	162	3.7550	.55146	.04333

Table 7: Gender Influence on Turnover - Independent Samples Test

	Levene's Test for Equality of Variances		T-Test for Equality of Means		
	F	Sig.	t	df	Sig. (2-tailed)
RTI Equal variances assumed	.956	.329	1.369	518	.172
Equal variances not assumed			1.296	274.432	.196

CONCLUSIONS

The strength of causation of turnover is independent of personal factors such as gender, marital status, age and work life balance. These personal factors individual do not impact employee turnover but when combined with job satisfaction and organizational commitment may contribute to turnover intention. The turnover intentions are independent of gender as well as marital status. The study found no significant differences in turnover intentions of male and female. It is also clear that single and married have similar turnover intentions. Organizational commitment is found to be better predictor of turnover intention than job satisfaction. Organizations should concentrate more on development of employee commitment by promoting empathy, enhancing emotional attachment with the organization, increasing sense of belongingness and developing pleasure of working with the organization. Job satisfaction of employees is to be retained and enhanced by using Herzberg's two factor theory and should periodically review factors satisfying the employees and factors dissatisfying. A systematic human resource approach will certainly enhance commitment and satisfaction and facilitate employee retention.

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